

**Managed Risk Medical Insurance Board
April 27, 2005**

Board Members Present: Cliff Allenby, Areta Crowell, Ph.D., Virginia
Gotlieb, M.P.H.

Ex Officio Members Present: Jack Campana, David Topp

Staff Present: Lesley Cummings, Denise Arend, Laura Rosenthal,
Vallita Lewis, Janette Lopez, Tom Williams, Jeanne
Brode, Dennis Gilliam, Larry Lucero, Carolyn Tagupa,
JoAnne French

Chairman Allenby called the meeting to order and recessed it for executive session. At the conclusion of executive session, the meeting was reconvened.

REVIEW AND APPROVAL OF MINUTES OF MARCH 23, 2005, MEETING

A motion was made and unanimously passed to approve the minutes of the March 23, 2005, meeting.

LEGISLATIVE UPDATE

State Bill Summary

Jeanne Brode reviewed bills staff is tracking which directly impact MRMIB. Chairman Allenby was dismayed to hear that AB 1396 (Garcia) was in suspense in Assembly Appropriations. This is an emergency bill to restore funding for application assistance in the current year. Mr. Topp said not to assume the bill is dead.

Dr. Crowell asked if AB 1671 (Nation and Richman) was dead, too, in light of the fact that AB 1670 (Nation and Richman) did not pass. AB 1671 would create a single point of entry for all government-offered health care programs. Ms. Brode said she would check on the bill's status and report back. Dr. Crowell asked that the Board be kept informed of the status of AB 722 (Chan), the Healthy Kids Program. Chairman Allenby asked if there were any further questions or comments; there were none.

Analysis of AB 711 (Chan)

Ms. Brode reviewed the staff's analysis of AB 711. This bill would require MRMIB to implement parental coverage in HFP by May 15, 2006. Even though AB 711 furthers MRMIB's mission to provide health coverage to the uninsured by covering an estimated 473,000 parents, Chairman Allenby commented that the bill's significant costs of over \$1 billion by 2007-08 made enactment unlikely. AB 711 would increase costs to the

state by over \$360 million, assuming that the state would get the remaining costs from federal SCHIP dollars. However, California is rapidly reaching the cap on its SCHIP allotment and SCHIP funding will not be available without a sizeable increase in California's allotment.

STATE BUDGET UPDATE

Tom Williams gave an update on those items in the budget that affect MRMIB. The Senate budget subcommittee took action in hearings on April 4 and 25. They include:

- Approval of Administration's proposal to seek federal SCHIP funds for pregnant women in AIM and in the Medi-Cal prenatal program for undocumented women
- Adopted trailer bill language to reaffirm a woman's right to reproductive privacy and assure comprehensive prenatal care; requested that DHS and MRMIB provide the legislature with a draft of the proposed State Plan Amendment (SPA) before submitting it to CMS
- Approval of nine positions and elimination of the unallocated reduction in MRMIB's budget (staff had requested 24.5 positions, reduced to 14.5 due to the unallocated reduction)
- Left open a proposal to re-establish payment for application assistance---Senator Runner expressed concerns about Medi-Cal's policy of paying a CAA when an application is referred to a county for eligibility determination (rather than upon enrollment, as HFP does)
- Rejected the Administration's proposal to implement premiums in the Medi-Cal program
- Adopted trailer bill language relative to county performance standards for the Medi-Cal to HFP bridge requiring that forms be revised to include a section for parental consent to forward the application to HFP and establishing an implementation date for the standards of 60 days after the form is available
- Left open a proposal to authorize counties to temporarily enroll children in Medi-Cal for a maximum of 60 days until HFP eligibility is determined
- Rejected the Administration's proposal to allow for some Medi-Cal determinations to be done centrally

Chairman Allenby asked if there were any questions or comments; there were none.

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry (SPE) Reports

Larry Lucero reported there are 739,594 children enrolled in HFP as of April 26. He reviewed the enrollment data for the month of March regarding ethnicity, gender, and the top five counties in enrollment, and the SPE statistics, including the percentage of applications processed with and without assistance.

Administrative Vendor Performance Report

Mr. Lucero presented the administrative vendor (AV) performance report for HFP and SPE. MAXIMUS is the AV for these programs. The report lists the performance measures contained in the contract between MRMIB and MAXIMUS, and MAXIMUS' performance in each category. For the month of March 2005, MAXIMUS met all seven performance standards for HFP and all four performance standards for SPE.

Plan Online Eligibility System Demonstration

Michael Lemberg from MAXIMUS gave a presentation on the new online eligibility system that HFP plans will be able to use to check on eligibility issues. The new system allows plans to directly access subscriber data. The plans have access to their own applicants, not any other plans' applicants.

Chairman Allenby called for public comment.

John Monahan from Blue Cross of California complimented MAXIMUS for its improved performance and commended MAXIMUS' new system. He made two suggestions for consideration in phase two: (1) that plans be able to import data from the AV in order to generate their own reports; and (2) that plans be able to access pending applications in order to answer questions and assist with enrollment. He pointed out that this proposal would be HIPAA-compliant if the joint application contained a sign-off that the applicant would like assistance from their chosen plan. The system could also help with outreach.

First Draft Benefits-Conforming Regulation Revisions

Lesley Cummings reviewed the first draft of proposed revisions to HFP regulations. These revisions are being made to conform HFP benefits to Knox-Keene requirements. The regulations will be presented for approval at the next meeting. Chairman Allenby asked if there were any questions or comments; there were none.

2004 Quality Measurement Report (HEDIS)

Carolyn Tagupa presented the Quality Measurement Report for HFP services provided in 2003. The report is used each year to monitor access and the quality of health care provided to HFP members. It contains the following five HEDIS measures:

- Childhood immunizations
- Well-child visits ages 3 through 6
- Adolescent well-care visits
- Children's access to primary care practitioner
- Follow-up after hospitalization for mental illness

The report also uses one non-HEDIS measure, a 120-day initial health assessment, developed by DHS in 2001. Ms. Tagupa reviewed the methods used to collect and report data. She then reviewed the results obtained for each measure.

In summary, the report indicates rates have not changed substantially since the last year reported. Ms. Gotlieb commented that access to services appears to have improved for the youngest children, but scores have dropped for the other children. Ms. Tagupa said there have been problems with the data and that HEDIS may not be the most appropriate measure for children. The report can be viewed on MRMIB's web site at www.mrmib.ca.gov.

Interagency Agreement with DMHC for Loss Ratio Reviews

Dennis Gilliam asked for approval of an interagency agreement with the Department of Managed Health Care (DMHC) to perform loss ratio evaluations for each HFP health, dental, and vision plan. The agreement term is July 1, 2005, through June 30, 2008. A motion was made and unanimously passed to approve the agreement as presented.

Health Status Assessment (Peds QL Report)

Ms. Cummings noted that a preliminary report on the Health Status Assessment was given at a previous meeting. Dr. Crowell had requested another presentation once it became final. Dr. Michael Seid then highlighted details of the final report and additional analysis he has done of the data. Dr. Crowell remarked that the report opens the door to more questions. She wondered about the degree of foregone care before and after entering the program. She also asked how Peds QL could be used in a clinical setting. Dr. Seid replied that he is working on that concept, specifically to focus on areas of high concern and to identify whether intervention has an effect.

Mr. Campana asked Dr. Seid to comment on how health status affects educational performance. Dr. Seid answered that the final report shows that improved health indicates children in the lowest quartile pay attention better in class and keep up with their studies. Mr. Campana emphasized the need to advertise this. Ms. Gotlieb said she appreciated the report and thinks getting it published in the Journal of the American Medical Association (JAMA) or similar periodical will be beneficial. Dr. Crowell expressed her gratitude to the David and Lucile Packard Foundation for funding the assessment.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Mr. Lucero reported that there are currently 6,164 women and 11,909 infants enrolled in the program. He reviewed the enrollment data including infant gender, ethnicity, and the counties and health plans with the highest percentage of enrollment.

Approval of AIM Health Plan Contract Amendments for 2005-06

A motion was made and unanimously passed to approve the plan rates negotiated by staff for fiscal year 2005-06.

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Mr. Lucero reported that there are currently 8,606 enrolled in the program. As of April 1 there are 44 on the waiting list serving the post-enrollment waiting period. During the past month 238 were disenrolled pursuant to AB 1401. The total number of 36-month disenrollments associated with AB 1401 to date is 11,054. The program remains open to new subscribers since enrollment is below the cap of 10,718.

Enrollment Estimate

Ms. Arend said the enrollment estimate for MRMIP for 2005-06 has become more complicated to calculate as a result of AB 1401. Experience with AB 1401 is too limited at this time. Assuming an increase in premiums in January 2006 consistent with current health care trends, PricewaterhouseCoopers (PwC) recommends reducing the enrollment cap from 10,718 to 9,014. This is 15.9% reduction in the enrollment level.

Survey of AB 1401 (Thomson) Graduates

Joyce Iseri, employed by the Board as a retired annuitant, reviewed a draft of the project proposal to survey former subscribers of MRMIP to determine their health coverage outcomes after leaving the program due to the 36-month limit imposed by AB 1401. This project is being funded by the California Healthcare Foundation (CHCF). It will be managed by Ms. Iseri in coordination with CHCF and PwC. AB 1401 requires the LAO to evaluate the effectiveness of the four-year pilot. Since the LAO will not be surveying graduates, this survey would complement the LAO evaluation and help guide future policy. Ms. Iseri highlighted the proposed methodology and timeline for the project. PwC recommends a sample size of around 500. The Foundation would like to know how the subscribers managed the change in their coverage.

Dr. Crowell said it would be valuable to know subscribers' self-perceived health status. Chairman Allenby said it would help to know if graduates are higher users of services because of diminished health. Ms. Gotlieb suggested finding out the graduates' self-reported diagnoses, where graduates are currently receiving their care (e.g. ER, clinic), and what type of coverage they have (e.g. catastrophic).

There being no further business to come before the Board, the meeting was adjourned.